

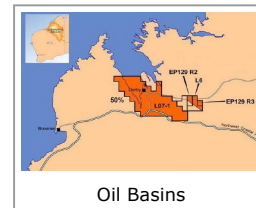
## Seismic reprocessing identifies new Canning play

Tuesday, 11 November 2008  
Steve Rotherham

**JUNIOR explorer Oil Basins Limited says it has delineated a promising new reservoir play in its Canning Basin acreage using methods that could prove valuable throughout the northwest Australian basin.**

Last November, Oil Basins engaged external consultants Moore Geophysical/Dayboro Geophysical and its in-house technical consultant, Focus on Australia, to perform technical assessments in and around the company's Backreef Area.

This included the Backreef Prospect and any potential leads and prospects or potential plays on two historical seismic lines of interest.



According to Oil Basins director Neil Doyle, the results are exciting.

"This new work has delineated a new reservoir play, postulated to be entirely situated within the Kimberley Downs Embayment, some 4 kilometres from the Blina oil field," he said.

"If the Backreef Prospect proves successful, the use of modern inversion techniques with reprocessing old historical seismic lines could lead to a valuable low-cost technique to find low-velocity anomalies within the Canning Basin."

According to Doyle, one such anomaly – a good indicator of hydrocarbons – was found in the "new reservoir play".

"It has an evident 'low-velocity seismic signature' with acoustic impedance characteristics similar to that exhibited by the known zone of wet gas discovered in Blina-1," he said.

This zone was within a sand reservoir underlying the Blina limestone reef, according to Doyle.

This tight sand reservoir was drilled only in the deep Blina-1 discovery well in 1981. All the other eight development and step-out wells only penetrated the upper portion of the Blina limestone reef, he said.

Oil Basins believes targeting sand reservoirs is one of the keys to making early progress in this frontier basin.

"The name Backreef is actually a misnomer," Doyle said.

"It is not a carbonate reservoir play situated in a back-reefal setting at all. It is prognosed to be a stratigraphic fan sand reservoir situated within an ancient marine channel.

"We target sands rather than carbonates. We also avoid targeting depths greater than 2000 metres and we drill near known oil.

"Our approach is all about reducing risk."

This "new reservoir play" type is in the Clanmeyer Formation and is interpreted to be an interbedded sand reservoir that has not been tested previously in the Canning Basin.

The consultants undertook modern reprocessing of both seismic lines, delivering SEG Y data.

They also conducted PSTM (pre-stack time migration), PSDM (pre-stack depth migration) and reproduceable geophysical modelling data based upon the only deep well in the area, Blina-1, which was drilled in 1981.

The consultant then produced a stack for inversion assessment of both lines and assessed low-velocity anomalies.

Using this newly delineated technical information, they prepared a geological interpretation of the

Backreef Prospect.

In addition to identifying a low-velocity anomaly at Backreef, the consultants prognosed a fault that could be interpreted as a gas chimney and as a direct hydrocarbon indicator.

"The fault is prognosed to have subsequently undergone a degree of inversion and underlies the Backreef Prospect," Doyle said.

This chimney cuts upwards through the known source rocks of the deeper Gogo Formation (which itself underlies the Virgin Hills Formation) into the "new reservoir play" in the Clanmeyer Formation.

"The potential interbedded sand reservoir is prognosed to be possibly filled with either oil or wet gas according to the interpretation of the evident package of low-velocity seismic reflectors," Doyle said.

Oil Basins has also commissioned an independent geological assessment of the Backreef Area, and in particular the Backreef Prospect.

The company says this is an important step in finalising preparations for the Backreef-1 well and in moving towards a partial sale or assignment of an interest in the Backreef Area ahead of drilling. Oil Basins expects to release this independent assessment to the ASX before the end of this month.

"Assuming formal documentation and transfers are approved by the stakeholders, the earliest timeframe for the drilling of Backreef-1 is now anticipated late during the first half of 2009," Doyle said.

The Backreef partners are Oil Basins Limited (80%) and unlisted company Backreef Oil (20% and operator). Buru Energy has the right to earn a 30% stake in the Backreef Area by paying 90% of the costs of the Backreef-1 well once that well has been completed.

© **Aspermont Limited**

**Aspermont Limited**  
**Street Address** 613-619 Wellington Street, Perth WA Australia 6000  
**Postal Address** PO Box 78, Leederville, WA Australia 6902  
**Head Office Tel** +61 8 6263 9100 **Head Office Fax** +61 8 6263 9148  
**e-mail** [contact@aspermont.com](mailto:contact@aspermont.com) **website** [www.aspermont.com](http://www.aspermont.com) **ABN** 66 000 375 048